

**JUDSON H. HILL, ESQ.**

June 28, 2018

**By ECFS**

Marlene Dortch, Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

Re: Sage Telecom Communications, LLC and Telscape Communications, Inc. d/b/a TruConnect; WC Docket Nos. 17-287, 11-42, 09-197

Dear Ms. Dortch:

On June 26, 2018, I, a former Georgia State Senator and current advisor to Telscape Communications, Inc. d/b/a TruConnect and Sage Telecom Communications, LLC (collectively, (TruConnect) and Matthew Johnson, co-CEO of TruConnect, met separately with Chairman Ajit Pai and Jay Schwarz, Wireline Advisor to the Chairman, and also with Commissioner Brendan Carr and Jamie Susskind, Chief of Staff to Commissioner Carr, to discuss TruConnect's Lifeline service and the FCC Order, Notice of Proposed Rulemaking and Notice of Inquiry released by the Commission on December 1, 2017.<sup>1</sup>

In both meetings very similar topics referenced herein were discussed. We shared about TruConnect's 10-year history of investment and innovation in the telecommunications space as an eligible telecommunications carrier (ETC) offering Lifeline services since 2006. TruConnect has been an industry leader in self-regulation, an advocate for program reforms and a staunch defender of the integrity of the Lifeline program through outreach and advocacy.

We shared that TruConnect shares the Chairman's and Commissioner's goals of bridging the digital divide and advancing telemedicine opportunities for all Americans; that there may be no more important existing FCC program than Lifeline to support that effort without access to a Lifeline device because millions of Americans simply cannot afford to stay connected, thus they risk falling further behind in our digital economy. Furthermore, we discussed that lower income Americans historically have difficulty accessing world class healthcare. When they find care its often in a hospital emergency room. We emphasized that current technologies enable a Lifeline device to be used to access innovative telemedicine opportunities improving healthcare access for lower income Americans. Over the years, TruConnect and other ETCs have helped millions of Americans to stay connected. Without this service, many low-income Americans would incur even greater challenges finding employment, accessing healthcare and helping their children completing homework away from school, not to mention reaching

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<sup>1</sup> See *Bridging the Digital Divide for Low-Income Consumers et al.*, WC Docket No. 17-287 et al., Fourth Report and Order, Order on Reconsideration, Memorandum Opinion and Order, Notice of Proposed Rulemaking, and Notice of Inquiry, FCC 17-155 (Nov. 16, 2017) (Lifeline Item)

emergency first responders.

We emphasized that TruConnect supports the Commission's goal of rooting out any remaining waste, fraud and abuse in the Lifeline program. TruConnect supports the Commission's decision to implement a National Verifier and during the meetings suggested that the Commission allow time for it to be fully implemented before making any changes to the status of resellers in the Lifeline program. We noted that the National Verifier program has broad bipartisan support as the key tool to confirm that only people who are eligible receive Lifeline discounted service.<sup>2</sup> Furthermore, we discussed the proposed application programming interfaces (API) and the apparent change in policy from the originally proposed separate portal for agent-assisted eligibility verification through the National Verifier. We mentioned that the proposed APIs were similar to the technologies used by almost all other federal programs because it provides a very efficient way to exchange information between companies and the government. We mentioned that APIs provide enhanced accountability and would help the FCC produce more accurate reliable data to first evaluate the effectiveness of the National Verifier and current fraud and abuse before making changes to the program.

When USAC designed the final National Verifier last year, however, the API was not included so now the subscriber must learn and self-navigate the eligibility verification process without agent assistance before then *repeating* the same process with a carrier who must collect the *same* information and *again* verify eligibility before they enroll the subscriber. The consequence is that many otherwise eligible people may now find the new verification process too challenging and not enroll in the program which could have helped them find a job, stay employed or obtain emergency and healthcare services. We further suggested that the ability of all ETCs to directly integrate into the National Verifier database is the most efficient way for the FCC to streamline the enrollment process to meet their objectives. Under the current National Verifier design, rural Americans will undoubtedly be harmed the most since disproportionately they depend on web-based enrollment and lack access to in-person assistance because it is costly to dispatch sales agents to lightly-populated areas.

In addition, we discussed that TruConnect, like most if not all ETCs, has been subject to scores of audits. The results of TruConnect audits demonstrate their unblemished and stellar record and their commitment to compliance. Rather than eliminate resellers from the program, during the meetings we offered support for a "conduct-based requirements" approach for resellers and agents subject to reasonable due process. We further explained that conduct-based requirements will improve program integrity, target non-compliant ETC's and agents, and is a very effective approach to combating waste, fraud and abuse rather than simply eliminating all resellers regardless of their compliance safeguards or history as mentioned in the Lifeline Item.<sup>3</sup> Furthermore, we emphasized that conduct-based requirements will benefit subscribers and help assure that a greater percentage of subscribers

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<sup>2</sup> See Ex Parte filing from Counsel to Q Link Wireless, LLC, WC Docket No. 17-287, WC Docket No. 11-42 and WC Docket No. 09-197 filed May 25, 2018 and supplemented May 31, 2018.

<sup>3</sup> See *Bridging the Digital Divide for Low-Income Consumers et al.*, (Lifeline Item) ¶ 73.

across America obtain better access to job and education opportunities plus healthcare and emergency responders.

Continuing, we briefly suggested to the Chairman and the Commissioner that the proposal to eliminate resellers from the Lifeline program goes too far and may drop over 7 million subscribers, including 1.3 million veterans,<sup>4</sup> and then require them to attempt to find a new communications service provider with comparable service offerings, which in many cases will be very difficult. We emphasized that access to the nationwide wireless networks ETCs resell is not offered on a retail basis to Lifeline subscribers other than through wireless resellers. We suggested that this was because these network facilities-based operators have made the rational business and financial decision that they should focus on their higher revenue margin lines of business and could earn more money as wholesale providers without the higher administrative costs of serving Lifeline subscribers. Likewise, smaller facilities-based wireless providers have shown a lack of interest in expanding their Lifeline offerings for similar reasons as the larger facilities providers. We noted that most of the facilities based wireless providers have opposed the proposal to eliminate resellers from the Lifeline program.<sup>5</sup>

We also spoke with the Chairman and Commissioner about port freezes and explained how subscribers and the program integrity would benefit if subscribers were required to stay with carriers longer, perhaps 60 days. We explained that a 60-day port-freeze will reduce waste and possible fraud and abuse because frequent switching, or churning, increases FCC costs for verification of subscribers and may “encourage” fraud. We also explained that regulatory certainty and reduced subscriber churning impacts the stability of the program and brings economic certainty for ETCs. Consequently, many ETCs like TruConnect would then readily expand their offerings across America and offer, for example, innovative add-on healthcare and job search application technologies to the Lifeline devices.

Lastly, we shared with the Chairman and Commissioner that in 2010 the Commission froze admission in certain states that allowed the FCC to control their ETC program entrance (“default states”). This freeze has never been removed even with subsequent rule changes and new eligibility verification. We suggested that removal of the default state freeze would bring competition in those states and improve access to connectivity especially in rural areas.

We concluded our conversations with the Chairman and Commissioner Carr with assurances that TruConnect would participate actively and constructively in the Lifeline rulemaking to help the Commission meet their objectives to improve the Lifeline program with the goal of ensuring that the

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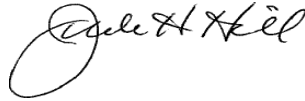
<sup>4</sup> See Rob Coons, Veterans and Military Families Need Internet to Connect to Our Economy, The Hill (Nov. 28, 2017), available at <http://thehill.com/opinion/technology/361888-veterans-and-military-families-need-internet-to-connect-to-our-economy> (last visited Dec. 21, 2017).

<sup>5</sup> See Letter from Meredith Atwell Baker, President & CEO of CTIA to Chairman Ajit Pai, Commissioner Mignon Clyburn, Commissioner Michael O’Rielly, Commissioner Brendan Carr, Commissioner Jessica Rosenworcel, WC Docket No. 17-287 et al. (filed Nov. 8, 2017); Letter from Norina Moy, Director, Government Affairs of Sprint to Marlene H. Dortch, Secretary, FCC, WC Docket no. 17-287 et al. (filed Nov. 9, 2017).

program meets its full potential of bridging the digital divide across America and helping improve Americans' lives.

Pursuant to section 1.1206(b) of the Commission's rules, this letter is being filed electronically.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Judson H. Hill". The signature is fluid and cursive, with the first name "Judson" being the most prominent part.

Judson H. Hill, Esq. [Judson@judsonhill.com](mailto:Judson@judsonhill.com)

*Advisor to TruConnect and Sage*

cc: Chairman Pai  
Commissioner Carr  
Nicholas Degani  
Jay Schwarz  
Jamie Susskind